

Mayor's Ad-Hoc Parking Study Committee
Monday, November 30, 2009
4:30 PM
Council Chambers

In attendance: Councilor Keith Nyhan, Councilor Rob Werner, Will Delker, Jeff Bart, Charlie Russell, Jim Corrigan

Staff: Carlos Baía, David Florence, Brad Osgood, Matt Walsh

Absent: Councilor Allen Bennett, John Hoyt

Meeting convened at 4:35 pm.

Approval of the November 2, 2009 minutes

The minutes were approved unanimously.

Presentation on the Parking Fund/General Fund Analysis

[An Excel spreadsheet entitled "Parking Fund/General Fund Analysis: Mayor's Ad-Hoc Parking Study Committee 30-Nov-09" is submitted as part of the official record. The presentation was made by Carlos Baía. The minutes will not reflect the details of the presentation with the exception of areas where comments or questions were raised by the committee members.]

Chair Nyhan stated that the presentation seemed to give credence that there is a good deal of General Fund costs that are being supported by the Parking Fund or other special revenue funds throughout the City. Carlos Baía indicated that there is a method to these calculations. He explained that the percentage charged to the parking fund for the municipal overhead piece is 2.93% of the administrative departments in the City reflecting the portion of the total City budget that parking comprises.

Mr. Baía also noted that at the outset of this committee's work, it seemed as if the relationship between the General Fund (GF) and Parking Fund (PF) was skewed in favor of the GF to a larger degree. The analysis presented indicates that the GF is still favored but not by such a significant margin.

Jeff Bart cited the history of the parking fund. He mentioned that the PF had, at one point, been used to support the maintenance of the public squares in downtown. Ultimately, Mr. Bart suggested, the PF was used to assist in the balancing of the municipal budget. Mr. Bart did not contest this practice as he understood the challenges of putting together a city budget.

Mr. Bart felt that there is a good balance today and believed that the committee is chasing a problem that may not truly exist. In his opinion, the issue is the Capital Commons Garage which was probably built larger than it should have.

Chair Nyhan indicated that in speaking with City Manager Tom Aspell recently he understood the problem to be larger than just Capital Commons.

Charlie Russell summarized the problem as being one of a revenue gap that won't be reduced until Steve Duprey's South Main Street project is on-line. Mr. Russell reiterated his earlier stance that selling one of the garages—at a minimum—would provide the City with revenue to cover this gap in the short term.

Chair Nyhan asked staff to provide an update on the Duprey project.

Matt Walsh stated that by February or March of 2010 the financing of the project is scheduled to be secured. If so, demolition is likely to occur shortly thereafter. Mr. Duprey has received his approvals for the buildings but is still awaiting Planning Board review for the Theatre Street parking lot. As far as the Capital Commons Garage, if Mr. Duprey were to take his full allotment of 150 spaces, he would be the garage's sole public tenant. Mr. Walsh emphasized, however, that Mr. Duprey's project as currently outlined would pay a flat rate for parking for 20 years and he indicated that there are some City Councilors that have expressed a concern with this arrangement. If the project goes forward as proposed, Mr. Duprey's 1st lease payment for Capital Commons usage would be due on April 1, 2011 (FY 2012).

Chair Nyhan expressed skepticism that the committee and the City would have time between now and mid-January to make an informed decision to sell a city garage. He felt that the committee should have as its main goal that of creating a list of recommendations that would provide some short to medium term remedies for the parking fund while keeping the sale of assets as an issue that could be studied in more detail at a later date.

Chair Nyhan asked if anyone on the committee would be opposed to this path which he deemed to be a "housecleaning effort".

Charlie Russell suggested starting from the bottom up in terms of thinking about this problem. He indicated that there are other options such as leasing the garage to an operator or putting out an RFP for a possible sale. Moreover, he inquired as to why the City even has a separate parking fund.

Mr. Baía stated that in speaking with the Deputy City Manager of Finance, Jim Howard, he discovered that the City did, in fact, already attempt to have an operator run the garages. The City envisioned this as a means to offset costs and/or perhaps generate new revenue. However, the operator in question for this possible contract indicated that they would be seeking payment from the City to run the garages. As a result, this arrangement was abandoned. As for the need for the parking fund, according to Mr. Baía, Mr.

Howard indicated that state law requires that a fund be created for revenues generated from parking activities. Mr. Russell disputed this last point referencing RSA 231:114.

Mr. Bart suggested that the City examine the possibility of issuing a bond using the garages as collateral. Mr. Walsh explained that the City has not—at least—in recent memory issued a revenue bond. In addition, it is not usually accepted as sound accounting practice to assume long-term debt for operational expenses.

Mr. Bart expressed the belief that the garages were developed as economic development tools for the downtown. He did not agree with the idea of selling the assets after the City's investment was made and now that they've been paid for.

Mr. Baía clarified that the Durgin and Firehouse facilities still maintain a relatively small amount of debt from lighting and structural repair projects. He noted that the debt is scheduled to mature on 2016 and 2022.

Chair Nyhan noted that there is an assumption that if the garages are sold that they will remain as garages. They, in fact, could be converted to another use.

Mr. Delker felt that a covenant could be added to the transaction that would indicate that the facility would have to remain a garage. Mr. Baía noted, however, that the more restrictions a seller places on a real estate transaction the lower the value the seller will receive.

Mr. Russell asked how many Capital Commons spaces Michael Simchick uses today. David Florence indicated that he was utilizing 68 of his 150 allocation. Discussion ensued that it might make sense for the City to take back the remaining allocation. Mr. Walsh indicated that he had not yet broached this subject with Mr. Simchick.

Jim Corrigan noted that it was the historic efforts at stimulating economic development in the downtown that led, in part, to the plight of the parking garages today. He expressed that in 20 years, anyone examining the Capital Commons garage or the Theatre Street parking lot might feel the same way. However, he acknowledged that these efforts are all part of a bigger picture to bring development to downtown that is not restricted to parking. It's also a product of zoning and other programs aimed at the same goal. Ultimately, Mr. Corrigan questioned if the City gets out of the parking business to whom will a developer turn when a potential project idea for the downtown comes up that requires parking.

Returning to the matter of allocating costs between the Parking Fund and General Fund in a more justified fashion, Mr. Bart feared that this would create new problems for the City to fix from a budgetary perspective.

Chair Nyhan noted, however, that there are issues that could be examined and recommended for fixes by the committee. As an example, he cited the Christmas shopping parking holiday in downtown. He contended that people will still shop

downtown for the holidays even if they have to pay for parking. Mr. Bart agreed with this observation.

Mr. Russell suggested as another “fix” that the City consider charging municipal employees some fee for the use of their individual parking spaces.

Mr. Walsh noted that this might be an opportunity to revisit the parking situation at the Capital Shopping Center and perhaps the City could partner to enforce parking restrictions on that private property. Mr. Walsh also advised the committee that if the Theatre Street lot is sold there is a possibility that the revenue from that sale could be used for the parking fund.

The committee also discussed the possible merits of a business improvement district as a tool for the regulation of parking.

Mr. Russell returned to Mr. Bart’s earlier suggestion of issuing some type of revenue bond and suggested having the issue for all three garages as a package. Mr. Walsh indicated that this is something bond counsel would have to look at.

Chair Nyhan asked for an update on the Portsmouth parking kiosk program. Mr. Florence explained that the vendor and he have had some preliminary discussions. The vendor will be providing Mr. Florence with figures. Mr. Florence indicated that Portsmouth had originally envisioned leasing the equipment but has since decided to purchase it.

Mr. Florence also discussed the in-car meters that Manchester and Portsmouth also use. He expressed that if Concord were to adopt this technology, the transponder could be the same for all three communities.

Mr. Delker indicated that when he travels to Manchester he doesn’t mind paying the higher rates as long as he can pay without always having to rely on quarters.

Councilor Werner agreed and talked about the use of debit cards.

Chair Nyhan ultimately asked staff to bring back a list of short-term fixes with some ballpark savings/revenue numbers for the committee to review and hopefully support as recommendations at the next meeting.

The next regularly scheduled meeting falls on a City Council meeting night. As a result, staff was directed to coordinate an alternate date with the committee members by email.

Meeting adjourned at 6:00 p.m.